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SUBJECT: G-8 NONPROLIFERATION DIRECTORS GROUP MEETING,
BERLIN, NOVEMBER 27, 2007

¶1. (SBU) Summary: ISN DAS Andrew Semmel visited Berlin November 27 to participate in the final G-8 Nonproliferation Directors Group Meeting (NPDG) of the German presidency. Delegates expressed disappointment with the lack of agreement on a work program at the Conference on Disarmament (CD) and agreed to consider issuing a statement of support for the organization. Notwithstanding the lack of consensus in the UN First Committee and related implications for future arms control and nonproliferation activities, most participants anticipated that the next NPT Preparatory Committee (PrepCom) meeting would focus to a greater extent on substantive issues than the previous PrepCom. Delegates showed considerable interest in the U.S.-India nuclear cooperation agreement and made clear NSG approval would require PGs to decide on the basis of political, rather than technical, considerations. Participants described the current state of play of national and cooperative offers to provide multilateral nuclear fuel supply assurances. Most participants said they would continue to oppose the USG-supported moratorium on transfers of sensitive nuclear technology. Delegates were generally skeptical about the prospects for progress with Iran. Most expressed satisfaction with efforts currently underway with the DPRK, but wondered how much the North Koreans would reveal in their declaration. Germany reported on its efforts on behalf of the G-8 to promote universalization of the Additional Protocol and UNSCR 1540. Japan outlined four foci for next year and said it would give nonproliferation a high priority during its G-8 presidency. End Summary.

Conference on Disarmament

¶2. (SBU) Participants' assessments of the state of play in the CD were generally pessimistic. All noted that only three states of the 65 CD members were disinclined to go along with the six presidents' program of work (L.1 and that Pakistan was the most recalcitrant. France did not share the negative assessment of others and said that since Pakistan could not be convinced, L.1 supporters should devote greater energy to convincing China to accept negotiations on a fissile material cutoff treaty (FMCT). Others countered that Pakistan, not China, was the problem. The Russian delegate also wondered what Israel would do if it could no longer hide behind China, Pakistan, and Iran.

¶3. (SBU) Japan, the incoming G-8 Chair for 2008, suggested a

joint G-8 demarche in support of the L.1 program of work or FMCT negotiations. France and Canada objected, however, on the grounds that a demarche from the G-8, which is perceived as a Western/Northern grouping, might be counterproductive. After further discussion, the group tentatively agreed to a U.S. suggestion that the G-8 express support for the CD in general. Germany and Japan (as current and incoming chairs) will consult and circulate a draft that could be issued before the start of the 2008 CD session in late January.

UN General Assembly First Committee

14. (SBU) Participants agreed with the chair's assessment that the discussion at the First Committee (UNFC) revealed a lack of consensus on nonproliferation and disarmament issues and speculated that work at upcoming events, including the 2008 NPT PrepCom, would be difficult. The chair noted in particular the failure of efforts to introduce a resolution on the Hague Code of Conduct against Ballistic Missile Proliferation (HCOC) and deplored the fact that Canada was not able to introduce an FMCT resolution. He noted that it was not possible for a single nuclear resolution to win the support of all nuclear weapon states (NWS). The U.S. and France stressed the need for NWS to continue efforts to enumerate and explain their disarmament achievements (Russia made the same point in the subsequent NPT discussion), but at the same time France thought it would be a big mistake to divert attention from the key problem of proliferation.

Prospects for the NPT Review Process

15. (SBU) In contrast to the UNFC discussion, speakers were positive about prospects for the 2008 NPT PrepCom meeting. Several (UK, Russia, Canada) urged a focus on all three

pillars of the NPT - peaceful uses, as well as nonproliferation and disarmament. States noted that several papers that had not been considered in 2007 because of procedural wrangling could provide the basis for discussion in 2008. The EU Council said that the issue of a Middle East Nuclear Weapon Free Zone would play an important role in the PrepCom and said the EU Institute of Security Studies in Paris would organize a seminar on the subject in early 2008. Canada and the Chair agreed that nuclear weapon free zones would be a major issue.

16. (SBU) The U.S. observed that parties at the 2007 PrepCom agreed on many issues and yet there was no agreed text because of the principle that "nothing is agreed until everything is agreed." He wondered whether it might be possible in the future to formalize partial agreement. The Chair was skeptical, expressing doubt about the possibility of getting away from a package deal.

Multilateral Approaches to the Nuclear Fuel Cycle

17. (SBU) Delegates noted the "proliferation" of approaches to providing supply assurances and mentioned steps they were taking to move their own proposals forward.

-- The German Multilateral Enrichment Sanctuary Proposal has received support from the Bundestag. The Max Planck Institute is drafting a model supply agreement. To get the non-aligned (NAM) on board, Germany, the Netherlands, and the UK will hold a meeting with the NAM in February.

-- The Russian proposal is aimed at providing fuel services. A deal has been worked out with Kazakhstan. Another will soon be concluded with Armenia. Russia is also negotiating with the IAEA on providing safeguards to its buffer stock. When an agreement is reached - not easy because the IAEA was unenthusiastic about spending resources on safeguards in a NWS - it would be presented to the IAEA Board of Governors (BOG).

-- Japan emphasized the importance of comprehensive safeguards and the Additional Protocol as a condition of supply in any multilateral approach.

-- The UK noted that PM Brown raised the "enrichment bond" proposal in a key foreign policy speech, showing the importance the UK attaches to the idea. The British aim for a market-driven solution, but nonproliferation elements remain essential.

¶18. (SBU) The moratorium on the transfer of sensitive technology, in particular enrichment and reprocessing technology, was also raised in this discussion. Russia called attention to the attraction of a "latent deterrent," created by the possession of nuclear technology as a reason to elaborate an alternative to the possession of enrichment and reprocessing (ENR) technology. Canada said it was not seeking a latent deterrent, but it had an industry to protect. The Canadian delegate referred to PM Harper's June 2007 letter to President Bush stating that Canada would not accept reference to a moratorium on ENR transfer in next year's G-8 Summit declaration. Canada thinks a ban is ineffective and unfair, and does not address the "real problem" of illicit transfers. The U.S. replied that U.S. and Canadian experts were consulting to see if a compromise could be worked out and noted further that the U.S. has begun downblending 17.4 MT of HEU to LEU for a nuclear fuel reserve. France said that lack of G-8 consensus complicates the group's efforts to convince the Third World that the G-8 is serious about guarantees.

U.S.-India Civil Nuclear Cooperation Agreement

¶19. (SBU) The U.S. briefed the group on the status of the deal, stressing the need to get it to U.S. Congress as soon as possible in an election year. Among other points, the U.S. noted that several key decision points lay ahead, including India-IAEA negotiations on a safeguards agreement, a decision by the Nuclear Suppliers Group (NSG) to grant an

India exception to its guidelines, U.S. Congress approval, and the successful outcome of the political debate in India. Participants praised U.S. transparency in discussing this issue, raised numerous questions on sequencing and timing, and emphasized that a NSG decision to grant a one-time exception for India would likely require a political, rather than technical, decision by Participating Governments. Delegates also stressed the importance of allowing sufficient time for consultations within capitals in advance of a final NSG decision.

Nuclear Suppliers Group Preparations

¶10. (SBU) The Chair reported that preparations are on track for the meeting in Berlin on May 22-23, preceded by a Consultative Group meeting on May 19-22. The primary item on the agenda will be the India agreement. Russia said it was thinking of adding an item on "complying with the NSG's confidentiality rule," with respect to denial of dual-use items in light of recent breaches of that rule.

Iran

¶11. (SBU) The group briefly discussed the upcoming Solana-Jalili meeting on November 30, which the Chair did not expect to be successful. He thought that now was the time for a follow-on UN Security Council Resolution to UNSCR 1747. Japan also favored a follow-on resolution. Several members points to the sense of urgency and the need for maintaining coherence in the UN Security Council.

DPRK

¶12. (SBU) Japan welcomed the DPRK's actions to disable the Yongbyon facilities and reported that a Japanese expert had arrived that day to join the project in Pyongyang. The U.S. also reported on its activities in the DPRK, noting that cooperation on disablement activity thus far has been good and that problems are being resolved, but it remains to be seen whether the DPRK will meet U.S. expectations by including its uranium program in its promised declaration.

Russia argued that the positive developments in the DPRK showed that urgent issues could be solved with political will and diplomacy, not sanctions. The French delegate later reminded the Russian delegate that UN sanctions had played an important role in convincing the DPRK to return and participate constructively in Six-Party Talks. The Chair concluded that he was sure Japan would keep the issue on the agenda next year and noted the importance of keeping a focus on the DPRK to ensure that it "came clean."

Universalization of the Additional Protocol and UNSCR 1540

¶13. (SBU) The Chair circulated two papers reporting on demarches carried out on behalf of the G-8 regarding the Universalization of the Additional Protocol (AP) and UNSCR 1540. The results were positive on the Addition Protocol, as several additional countries, including Nigeria and Kazakhstan, had ratified. Others, he noted, are close to completing ratification.

¶14. (SBU) The Chair noted that much remains to be done on 1540 implementation and that further consultations in New York are necessary. He also reported that the EU had undertaken Joint Actions to promote universalization of the BWC, CWC, and CTBT and had made a special effort to promote the HCOC. Russia reported that the AP is now in force for the Russian Federation. Japan noted it would continue the effort in its G-8 presidency.

Outlook for the Japanese Presidency

¶15. (SBU) Japan outlined the overall priorities for its 2008 G-8 Presidency: environment/climate change, development and Africa, the global economy, and political issues. Japan reported that nonproliferation would be the major focus under political issues. Within that framework Japan will focus the NPDG's work on regional issues, in particular the DPRK and Iran; the Global Partnership (GP), where they plan to

emphasize expansion to other countries rather than extension beyond 2012 (Comment: Japan also seems to envisage giving the NPDG a greater supervisory role over the GP.); possible risks associated with peaceful uses of nuclear energy; and strengthening international nonproliferation efforts.

¶16. (SBU) The Japanese plan to include nonproliferation in a planned 10-page (maximum) Summit declaration, rather than issuing a separate nonproliferation statement. If all topics of importance cannot be addressed in the Summit declaration, Japan would consider the possibility of the NPDG itself issuing a statement that would be endorsed by Leaders. The schedule of proposed NPDG meetings is: January 31, February 28, March 27, April 24, and June 5 (all Thursdays). At each meeting the group will decide if the next one is necessary. All meetings will take place in Tokyo, except the last, which Japan expects to hold in a provincial city.

¶17. (SBU) Because of the press of time, the Global Partnership and Biological Weapons issues were not discussed.

¶18. (U) Participation:

Germany - Ruediger Luedeking (Chair)
Japan - Takeshi Nakane
Italy - Antonio Catalano di Melilli
Canada - Mark Gwodecky
France - Philippe Carre
UK - Paul Arkwright
U.S. - Andrew Semmel
Russia - Oleg Rozhkov
EU Council - Annalisa Giannella
EU Commission - Bruno Dupre

¶19. (U) DAS Semmel has cleared this cable.
TIMKEN JR